

EXHIBIT 1

INTRODUCTION

Respondent, Dean Zaharias, has been a member of the Sonora Planning Commission for eight years. Section 87203 of the Political Reform Act (the “Act”)¹ requires planning commissioners to file a statement of economic interests by April 1st of each year (or the next business day after April 1st, if April 1st falls on a Saturday, Sunday or official holiday).

In this matter, Respondent failed to timely file three annual statements of economic interests for the calendar years 1997, 1998 and 1999.

For the purposes of this Stipulation, Respondent’s violations are stated as follows:

COUNT 1: As a member of the City of Sonora Planning Commission, Respondent Dean Zaharias failed to timely file a 1997 annual statement of economic interests, by the April 1, 1998 due date, in violation of Section 87203.

COUNT 2: As a member of the City of Sonora Planning Commission, Respondent Dean Zaharias failed to timely file a 1998 annual statement of economic interests, by the April 1, 1999 due date, in violation of Section 87203.

COUNT 3: As a member of the City of Sonora Planning Commission, Respondent Dean Zaharias failed to timely file a 1999 annual statement of economic interests, by the April 3, 2000 due date, in violation of Section 87203.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in Section 81002, subdivision (c), is to assure that the assets and income of public officials, which may be materially affected by their official actions, be disclosed, so that conflicts of interest may be avoided.

In furtherance of this purpose, Section 87203 requires every individual who holds an office listed in Section 87200 to annually file, at a time specified in the Commission’s regulations, a statement of economic interests disclosing his or her reportable investments, interests in real property and income. “Members of planning commissions” is one of the offices listed in Section 87200. Under Regulation 18723, subdivision (b)(2), the due date for a planning commissioner to file an annual statement of economic interests is April 1st of each year (or the next business day after April 1st, if April 1st falls on a

¹ The Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

Saturday, Sunday or official holiday). The statement must include all the economic interests the planning commissioner held during the preceding calendar year. (Regulation 18722, subd.(b).)

SUMMARY OF THE FACTS

Respondent, Dean Zaharias, has been a member of the Sonora Planning Commission for eight years. As a planning commissioner, Respondent is required to file a statement of economic interests ("SEI") each year, disclosing his economic interests during the preceding calendar year.

COUNT 1

Failure to Timely File 1997 Statement of Economic Interests

Respondent was required to file his 1997 annual SEI by April 1, 1998. On March 6, 1998, Sonora Administrative Analyst Kim L. Stam sent a memorandum to Respondent informing him that his 1997 annual SEI would be due on April 1, 1998. On March 20, 1998, Ms. Stam sent a second memorandum to Respondent informing him that his 1997 annual SEI would be due on April 1, 1998. In spite of these notices, Respondent failed to file his 1997 annual SEI by the April 1, 1998 due date. The matter was then referred to the Technical Assistance Division of the Fair Political Practices Commission.

On May 15, 1998, Adriane Korczmaros of the Technical Assistance Division sent a letter to Respondent informing him that his 1997 SEI was past due. On June 24, 1998, Ms. Korczmaros sent a second letter to Respondent informing him that his 1997 SEI was past due. On July 20, 1998, Alice Hughes of the Technical Assistance Division sent a letter to Respondent informing him that his 1997 SEI was past due. On November 17, 1998, Ms. Hughes sent a second letter to Respondent informing him that his 1997 SEI was past due. On April 23, 1999, Dixie Howard of the Technical Assistance Division sent a letter to Respondent informing him that his 1997 SEI was past due. When Respondent did not respond to Ms. Howard's letter, the Technical Assistance Division referred the matter to the Enforcement Division.

COUNT 2

Failure to Timely File 1998 Statement of Economic Interests

Respondent was required to file his 1998 annual SEI by April 1, 1999. On February 5, 1999, Sonora Administrative Analyst/Deputy City Clerk Kim L. Stam sent a memorandum to Respondent informing him that his 1998 annual SEI would be due on April 1, 1999. On March 10, 1999, Ms. Stam sent a second letter to Respondent informing him that his 1998 annual SEI would be due on April 1, 1999. In spite of these notices, Respondent failed to file his 1998 annual SEI by the April 1, 1999 due date.

COUNT 3

Failure to Timely File 1999 Statement of Economic Interests

Respondent was required to file his 1999 annual SEI by April 3, 2000. On February 25, 2000, Sonora Administrative Analyst/Deputy City Clerk Kim L. Stam sent a memorandum to Respondent informing him that his 1999 annual SEI would be due by April 3, 2000. On March 20, 2000, Ms. Stam sent a second notice to Respondent, informing him that his 1999 annual SEI would be due by April 3, 2000. In spite of these notices, Respondent failed to file his 1999 annual SEI by the April 1, 2000 due date.

On April 7, 2000, Commission Counsel Mark Morodomi sent a letter to Respondent advising him to file his 1997, 1998 and 1999 annual SEIs. Four months later, on August 18, 2000, Respondent finally filed the three SEIs.

ADDITIONAL FACTS

Respondent was required to file two annual SEIs for calendar years 1994 and 1995, but failed to do so. On April 14, 1999, the Commission approved a Default Decision and Order charging Respondent with two violations of the Act, and ordering him to pay an administrative penalty of \$4000 and a late filing fee of \$200. When Respondent did not comply with the order, the Enforcement Division obtained a judgment from the County of Sacramento Superior Court against Respondent for \$4200 plus interest, totaling \$5,159.

Upon obtaining the money judgment against Respondent, on May 16, 2000, the Enforcement Division requested the Tuolumne County Sheriff's Office to garnish Respondent's wages. Respondent is an employee of Wilma's Cafe, a restaurant, and earns a monthly salary of \$950. In response to the wage garnishment order, Wilma's Cafe sent \$162 to the Tuolumne County Sheriff's Office on July 25, 2000, which was forwarded to the Fair Political Practices Commission. In spite of the wage garnishment order, however, Respondent's employer did not make any other payments to the Tuolumne County Sheriff's Office for the next 12 months.

On July 6, 2001, Investigator William Motmans of the Fair Political Practices Commission contacted the owner of Wilma's Cafe, and advised her to comply with the wage garnishment order. On July 9, 2001, Wilma's Cafe sent \$2,262 to the Tuolumne County Sheriff's Office, which was forward to the Fair Political Practices Commission. To date, Respondent has paid approximately 50 percent of the \$5,159 administrative penalty with garnished wages. As part of this stipulated agreement, Respondent has agreed to voluntarily assign 20 percent of his wages to the Fair Political Practices Commission to pay the remaining 50 percent of the previous \$5,159 administrative penalty.

Wilma's Cafe is the only economic interest reported by Respondent on his SEI's for calendar years 1993, 1994, 1995, 1996, 1997, 1998 and 1999. Respondent timely filed his 2000 annual SEI by the April 2, 2001 due date.

CONCLUSION

This matter consists of three counts of violating Section 87203, which carries a maximum administrative penalty of Six Thousand Dollars (\$6,000.00).

Under the SEI Expedited Procedures adopted by the Commission in July 1999, the approved administrative penalty for an individual who files a delinquent SEI after being contacted by an Enforcement Division attorney is between Four Hundred and Six Hundred Dollars (\$400-\$600). However, since Respondent committed the violations over a period of three years and has a prior history of committing the same type of violation, the Enforcement Division excluded this case from the Commission's SEI Expedited Procedures. Therefore, an administrative penalty higher than the approved penalty range for the streamlined SEI program is appropriate.

In view of Respondent's significant history of failing to comply with SEI filing requirements, the maximum penalty is arguably the appropriate penalty amount in this case. However, the parties to this stipulated settlement have agreed to a lesser penalty of One Thousand Dollars (\$1,000.00) per count, based upon Respondent taking the following actions: immediately paying 50 percent of the money judgment assessed in the previous case; agreeing to a wage assignment for prompt payment of the remainder of the judgment and the penalty being imposed in this case; and filing his 2000 annual SEI by the April 1, 2001 due date.

Accordingly, imposition of the agreed upon penalty of Three Thousand Dollars (\$3,000.00) is justified.